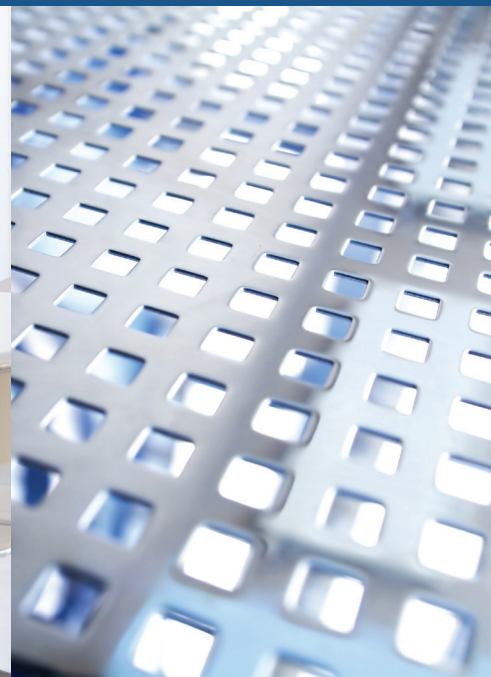


**RETIREMENT PLAN PROVIDERS**

# Retirement Insights: Outlook 2018



## Trends, Challenges and Opportunities

A sea change is sweeping the retirement plan market. New products, technologies and regulations are transforming investor preferences and expectations. The future holds amazing opportunity for those equipped to adapt.

To help you prepare for what's next, we compiled research from Market Strategies International's Cogent Reports™ DC Participant Planscape™, along with original survey data, to identify the key trends, challenges and opportunities likely to shape 2018—and beyond. Retirement leaders who get in front of demographic changes and are able to meet participants on their terms will find tremendous reward.

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### IN BRIEF

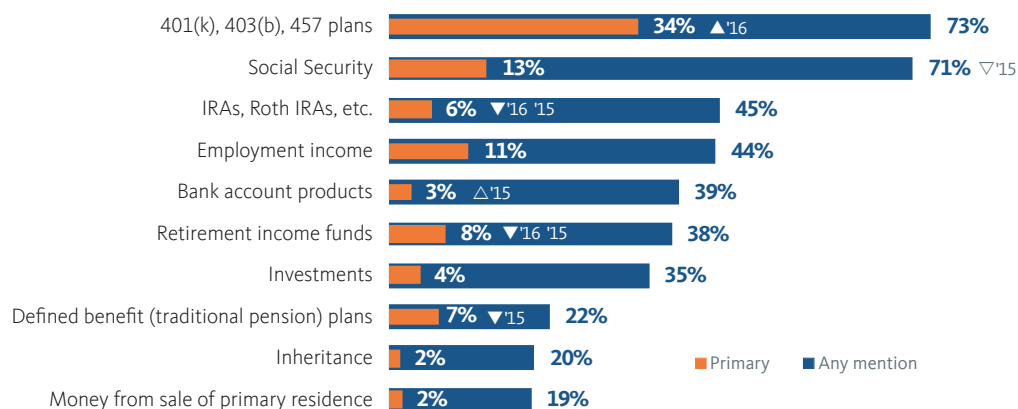
- Providers are prioritizing participant financial wellness.
- Millennials want one-on-one financial advice.
- Online access to financial planning tools will make the biggest impact.
- Participant satisfaction will depend on delivering robust online capabilities.

# Priorities

Industry leaders seek to maximize participant wellness and engagement.

Dependence on DC plan assets as a primary source of retirement income is up significantly.

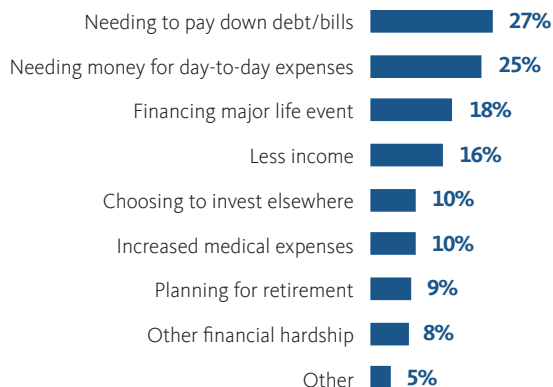
## TOP 10 SOURCES OF INCOME IN RETIREMENT



Source: Market Strategies International's Cogent Reports™ DC Participant Planscape™ (September 2017).  
 Base: All plan participants  
 ▲/▼ = Significant change from stated year  
 △/▽ = Significant change observed in 2016 sustained in 2017

At the same time, fewer participants have increased their contribution levels over the past year, as many struggle with debt and everyday expenses.

## REASONS FOR DECREASING CONTRIBUTION



Source: Market Strategies International's Cogent Reports™ DC Participant Planscape™ (September 2017).  
 Base: Current plan participants who decreased contribution

Given these participant trends and challenges, leading providers plan to prioritize financial wellness and participant engagement in 2018.

## PROVIDER PRIORITIES



50%  
Financial wellness

- Definition of wellness
- Integration with other service offerings



29%  
Engagement

- Overcoming participant inertia
- Behavioral economics



13%  
Post-retirement success

- Drawdown
- Fiduciary impact to IRA rollovers
- In-plan income options



9%  
Investment practice

- Shift to passive
- Personalized QDIA, Roboadvisory

Total respondents = 70  
 Source: Broadridge webinar survey—Mapping the Journey: Maximizing Participant Engagement (January 2018).

# Looking forward

Successful providers will find ways to deliver one-on-one, high-tech financial advice.

Younger participants, particularly millennials, report a strong desire for one-on-one objective advice.

## TYPES OF INVESTMENT ADVICE

Currently offered (% top 3-box)

	Total	Millennial	Gen X	2nd Wave Boomer	1st Wave Boomer	Silent Generation
Access to a financial advisor	43% ▲'16	40%	43% ▲'16	46%	48%	41%
Online automated investment advice/sophisticated computerized model from plan provider	25%	32% ▲'16	26%	20%	18%	9% ▼'16
One-on-one advice provided by an independent third party	15% ▲'16	22%	15% ▲'16	10%	9%	8%
Online automated investment advice/sophisticated computerized model from independent third party	14% ▲'16	21% ▲'16	14%	12%	8% ▼'16	4%

Source: Market Strategies International's Cogent Reports™ DC Participant Planscape™ (September 2017).

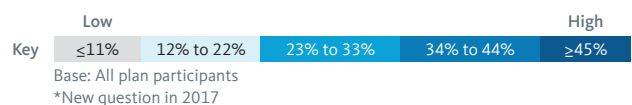


For all participants, online financial planning tools have the most appeal, closely followed by access to a financial advisor.

## CONSIDERATION OF POTENTIAL EMPLOYER OFFERINGS\*

	Total	Millennial	Gen X	2nd Wave Boomer	1st Wave Boomer	Silent Generation
Online access to financial planning tools	54%	54%	56%	55%	53%	40%
Access to a financial advisor/coach	37%	29%	41%	41%	41%	35%
Credit score guidance and/or tracker	32%	37%	35%	28%	24%	16%
Discounted bank accounts/info on credit cards	29%	22%	33%	34%	30%	27%
Health savings account (HSA) guidance	29%	27%	30%	33%	31%	17%
Net worth calculator	29%	28%	30%	29%	29%	22%
Debt guidance and/or debt tracker	24%	30%	29%	20%	13%	6%
Mobile (app) capabilities with financial planning tools	18%	21%	23%	13%	11%	7%
Educational payment support/planning	16%	21%	19%	14%	7%	6%
Other	<1%	0%	0%	<1%	1%	1%

Source: Market Strategies International's Cogent Reports™ DC Participant Planscape™ (September 2017).

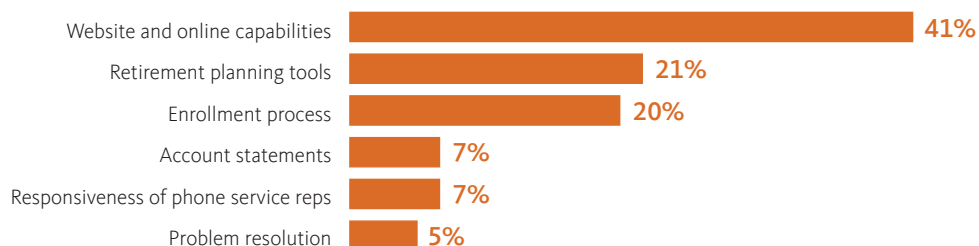


Participants want a healthy mix of high-touch and high-tech service. Digital access can facilitate more meaningful interactions between advisors and participants and can also provide the client-enablement tools all participants desire.

Our survey aligns with Cogent Reports™ findings: Outside of investment performance, retirement planning tools and online capabilities are leading drivers of participant satisfaction. Delivering these tools will be a top challenge for providers in 2018.

## PARTICIPANT SATISFACTION SURVEY

Which of the following drivers of participant satisfaction is the top challenge for your firm in 2018?



Total respondents = 61

Source: Broadridge webinar survey—*Mapping the Journey: Maximizing Participant Engagement* (January 2018).

## GET AHEAD OF THE COMPETITION.

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